Aligning ERP Expansion Project Goals with Organizational Goals at the State of Vermont

June 30, 2011

The Goal Alignment Document is organized into Six Sections

I. Goal Alignment Purpose

II. Interview Methodology

III. Aggregate Interview Results

IV. Summary Findings

V. Risk Assessment

VI. Summary Recommendations and Next Steps

Goal Alignment Purpose

Section I

Purpose of Goal Alignment is to:

- Conduct interviews with key State of Vermont stakeholders
- Identify patterns of stakeholder thoughts and perceptions that may affect the ERP Expansion Project
- Uncover issues and risks
- Recommend activities to mitigate risks
- Align ERP Expansion project goals with organizational goals
- Inform project team and sponsors of interview findings

Interview Methodology

Section II

Approach

- Identified three stakeholder groups to be interviewed
- Stakeholders came from twenty-three departments
- Interviewed sixty-one employees in either an individual or group interview setting
- Stakeholders had different degrees of association with the project ranging from full-time ERP Expansion team members to department directors and subject matter experts
- Interview included open ended questions and forced ranking responses
- Participants were informed they would be kept anonymous when the interview results were compiled into a report

Interviewees

Stakeholder Groups	Number Interviewed
Appointing Authorities	**10**
Directors & Assistant Directors	**23**
Managers	**28**
Total	**61**

Interview participants came from twenty three departments

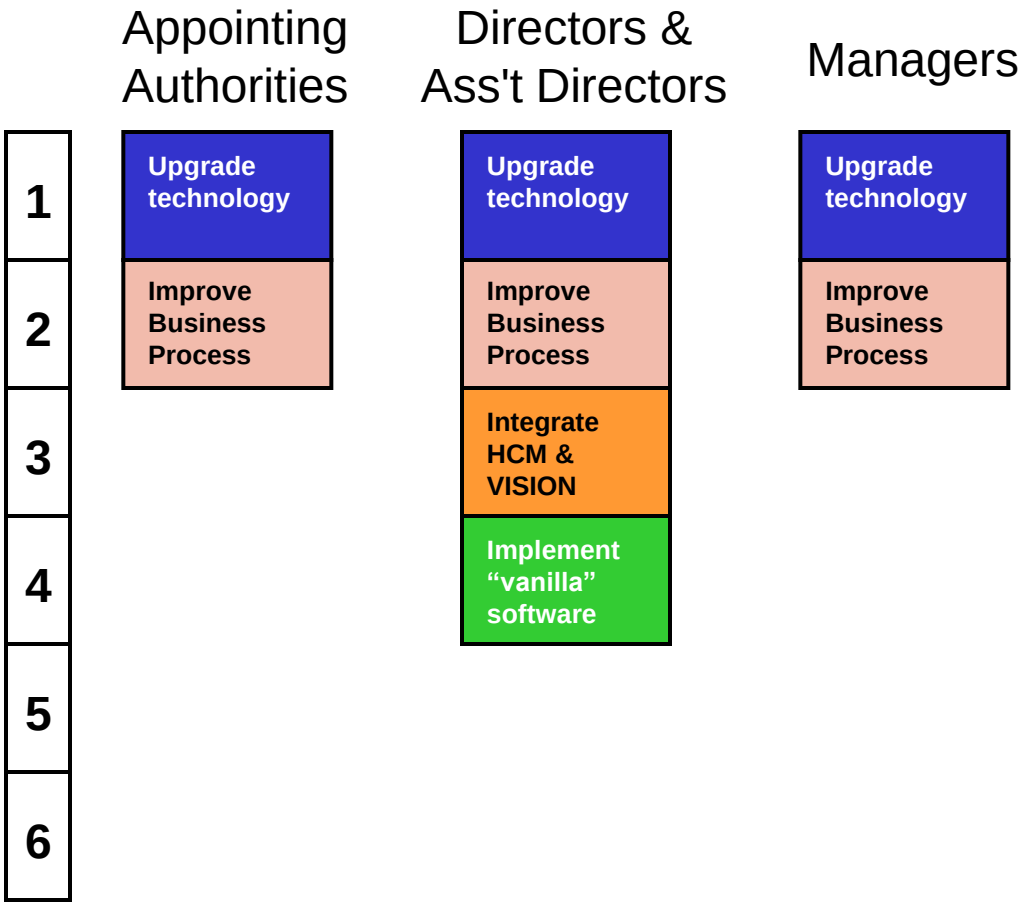
Aggregate Interview Results

Section III

Question 1: What do you understand the ERP Expansion Project to be about?

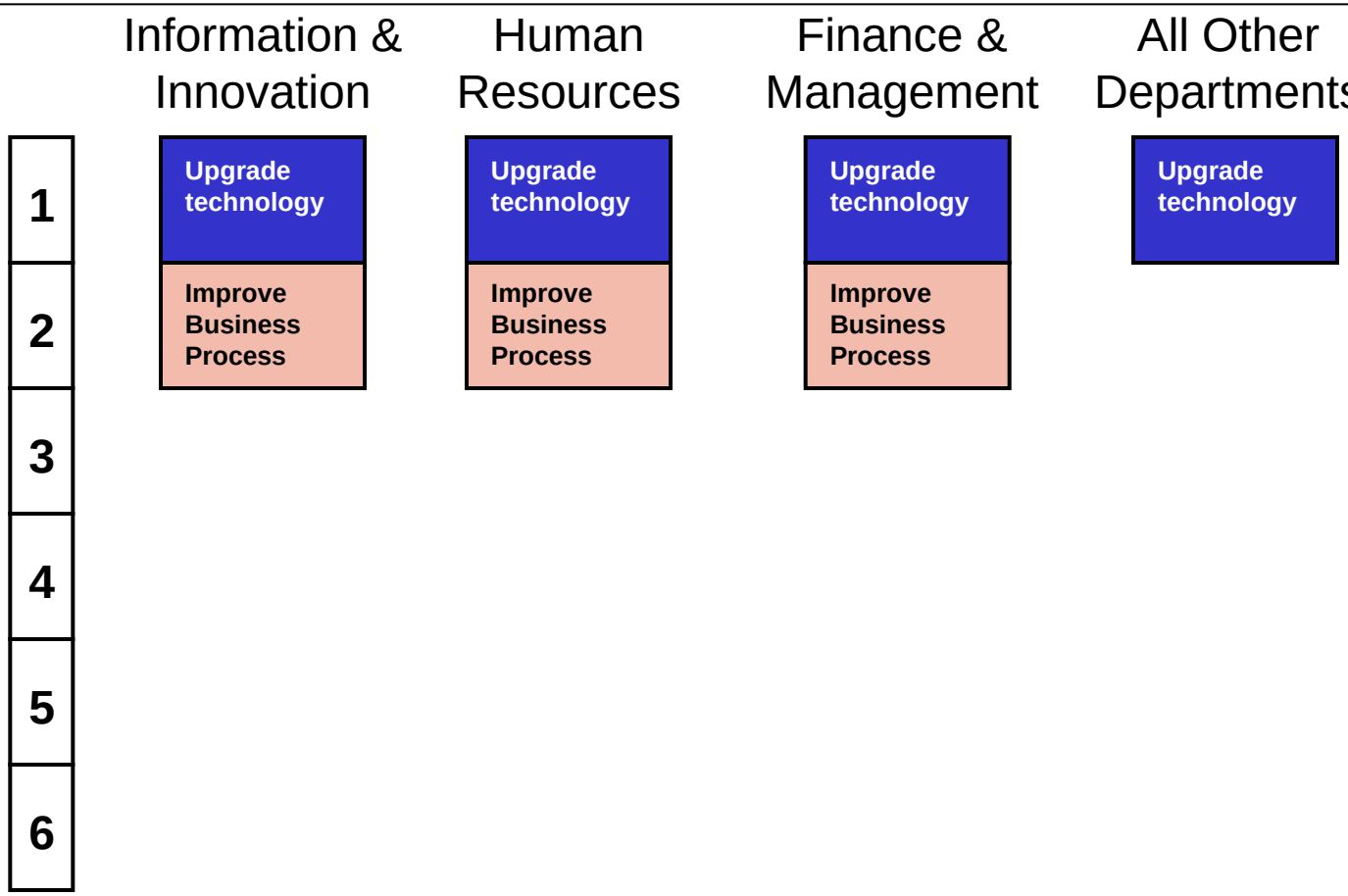
Responses by Stakeholder Position

Question 1: What do you understand the ERP Expansion Project to be about?



Responses by Stakeholders' Department

Question 1: What do you understand the ERP Expansion Project to be about?



Question 2: What are your goals for this project?

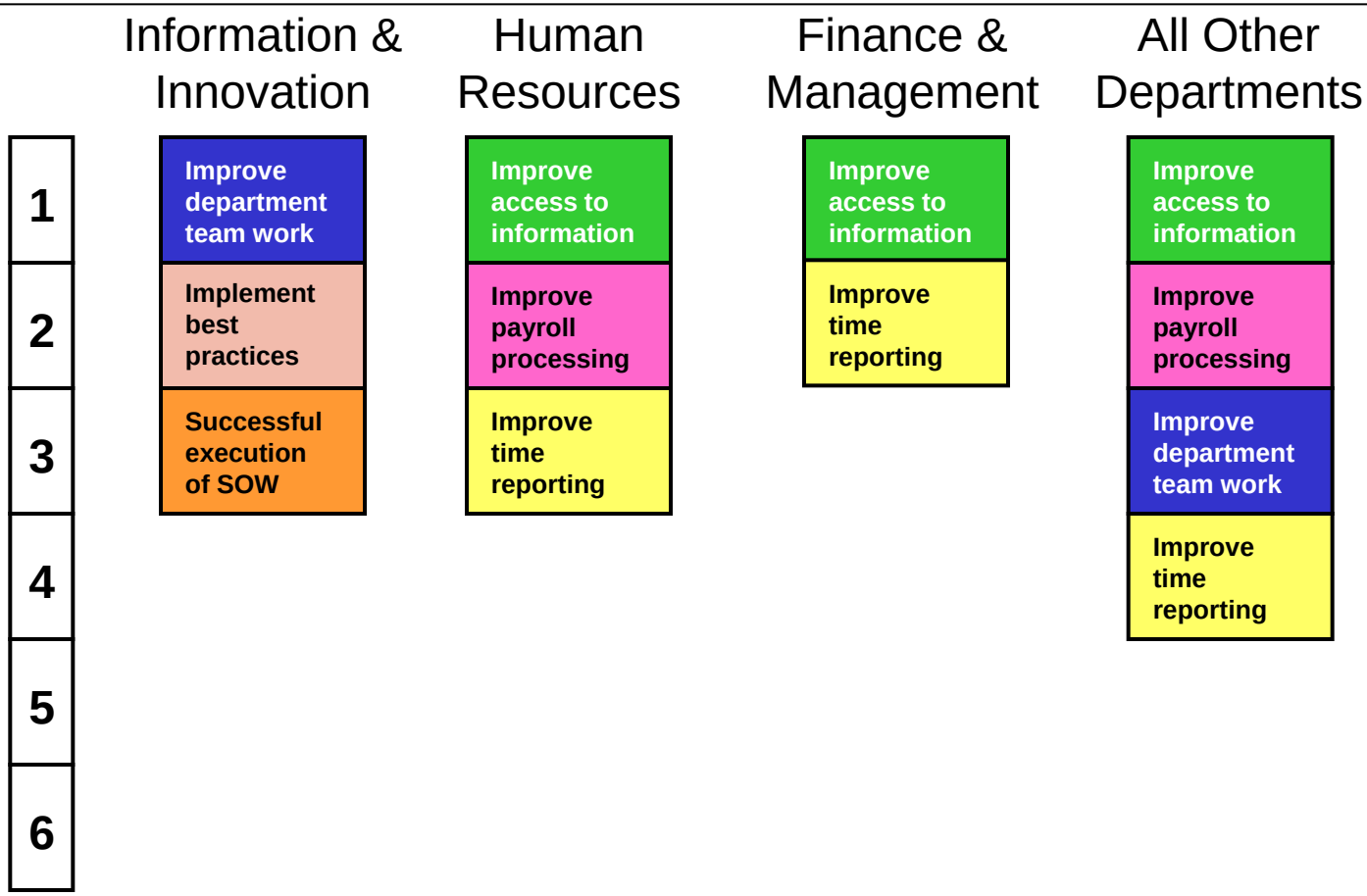
Responses by Stakeholder Position

Question 2: What are your goals for this project?

	Appointing Authorities	Directors & Ass't Directors	Managers
1	Improve access to information	Improve access to information	Improve processing efficiencies
2	Deliver on time and budget	Depts take a "process view"	Depts take a "process view"
3	Improve processing efficiencies	Improve processing efficiencies	Improve access to information
4	DHR takes ownership of system	Replace Paradox	
5		Deliver on time and on budget	
6			

Responses by Stakeholders' Department

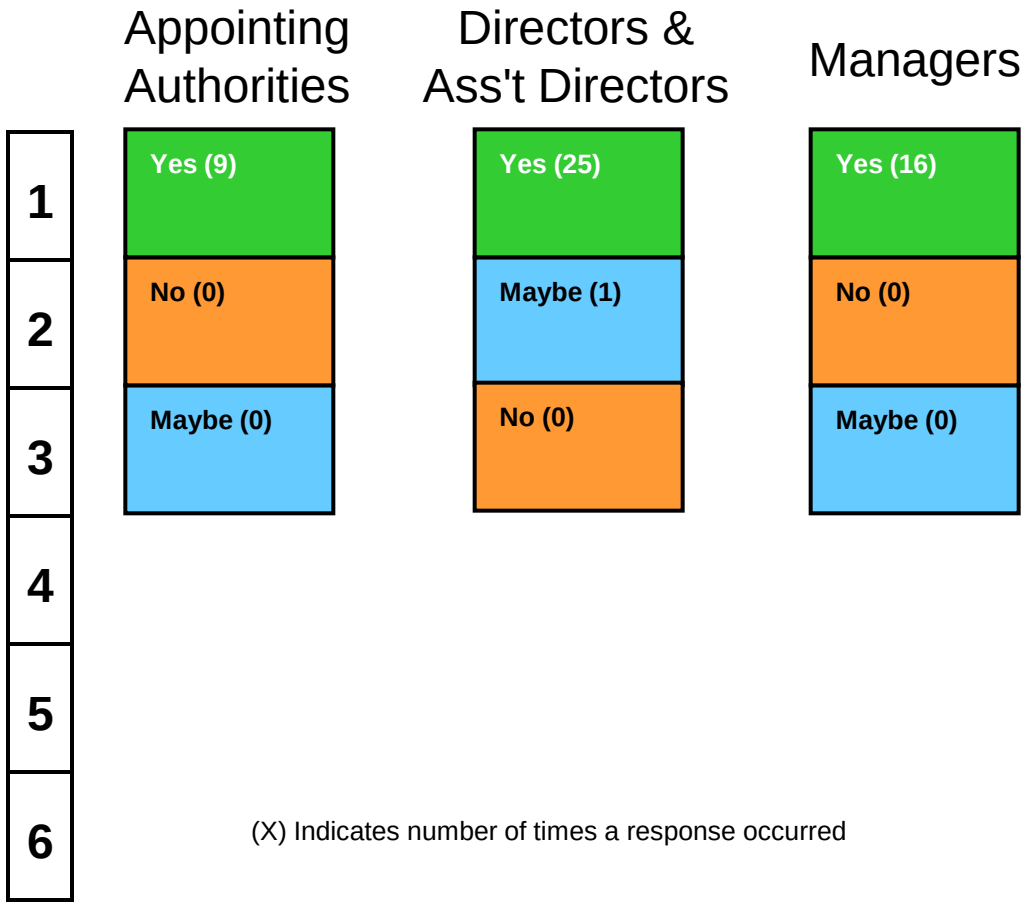
Question 2: What are your goals for this project?



Question 3: Do you support this project?

Responses by Stakeholder Position

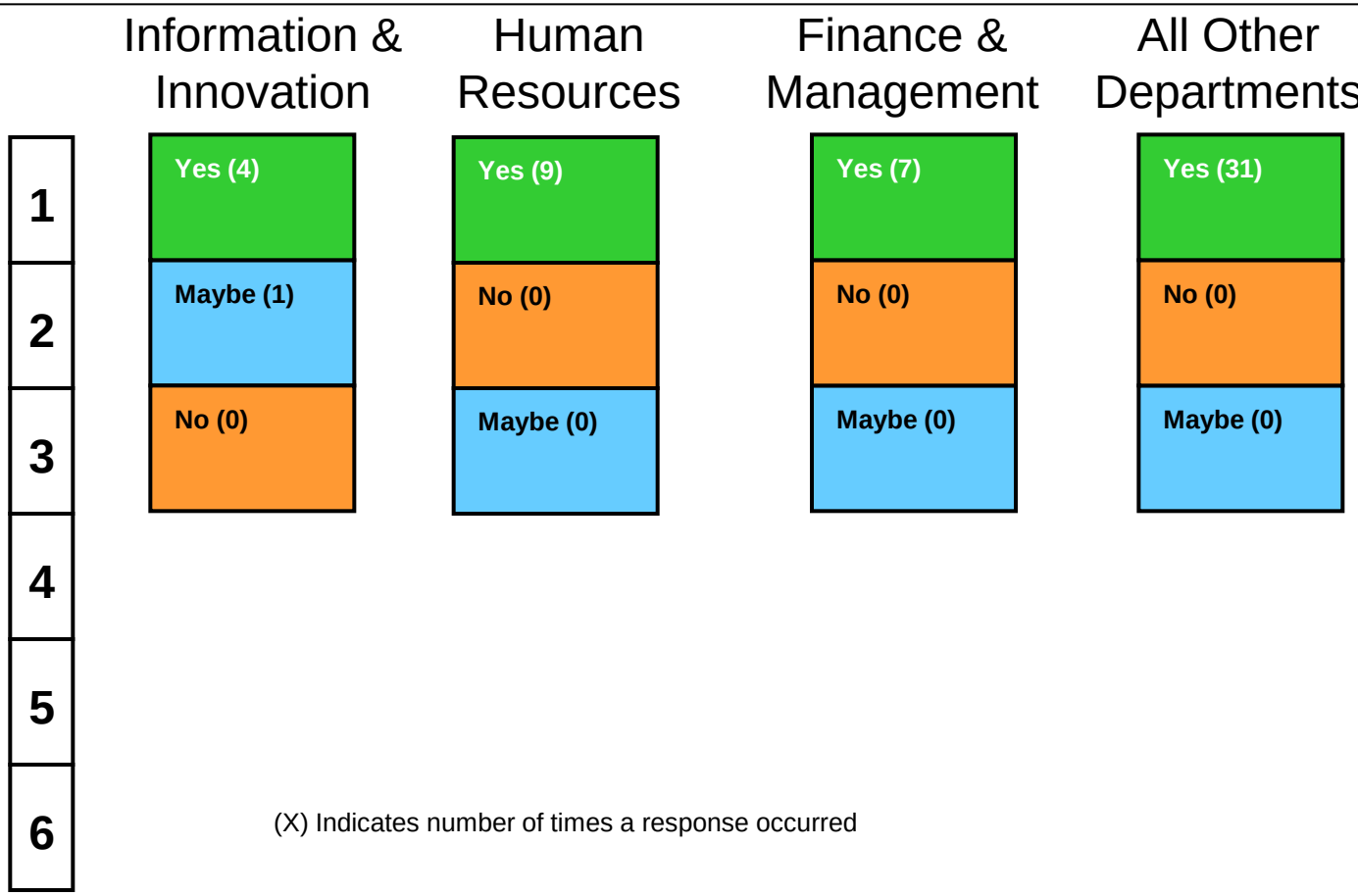
Question 3: Do you support this project?



(X) Indicates number of times a response occurred

Responses by Stakeholders' Department

Question 3: Do you support this project?

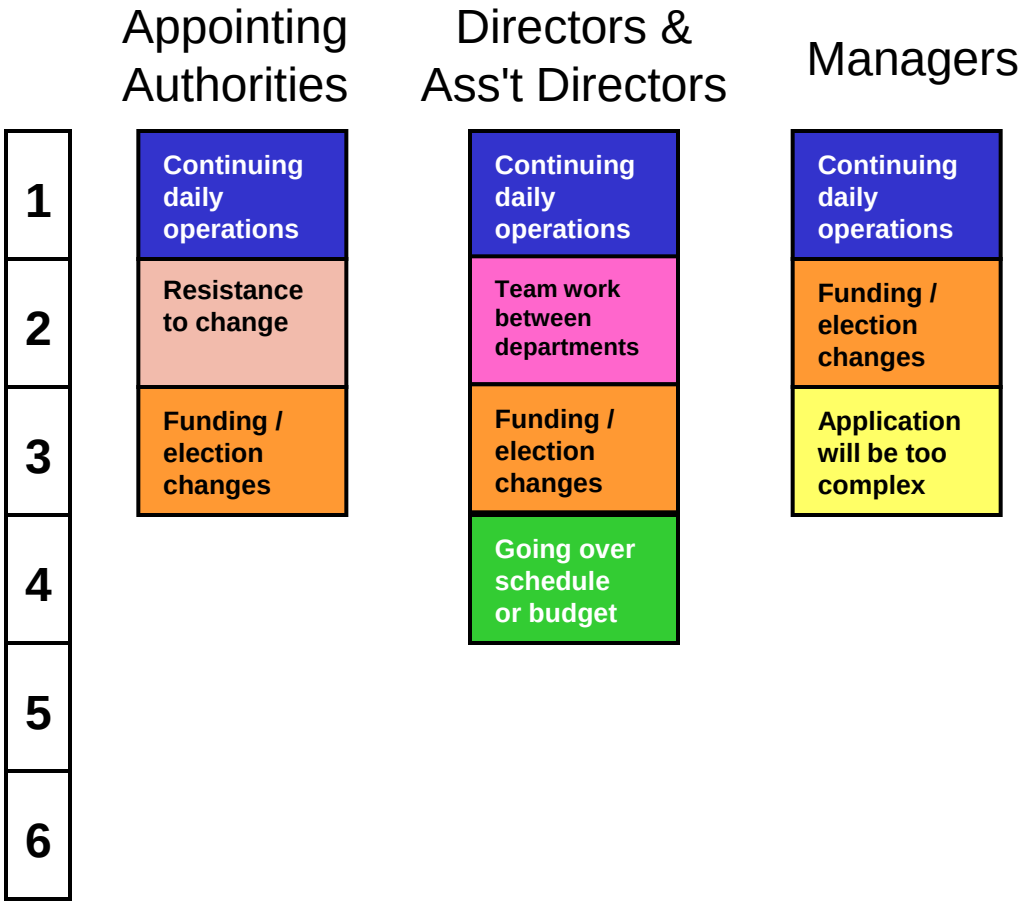


(X) Indicates number of times a response occurred

Question 4: What are the obstacles, issues or risks that your are concerned about regarding this project?

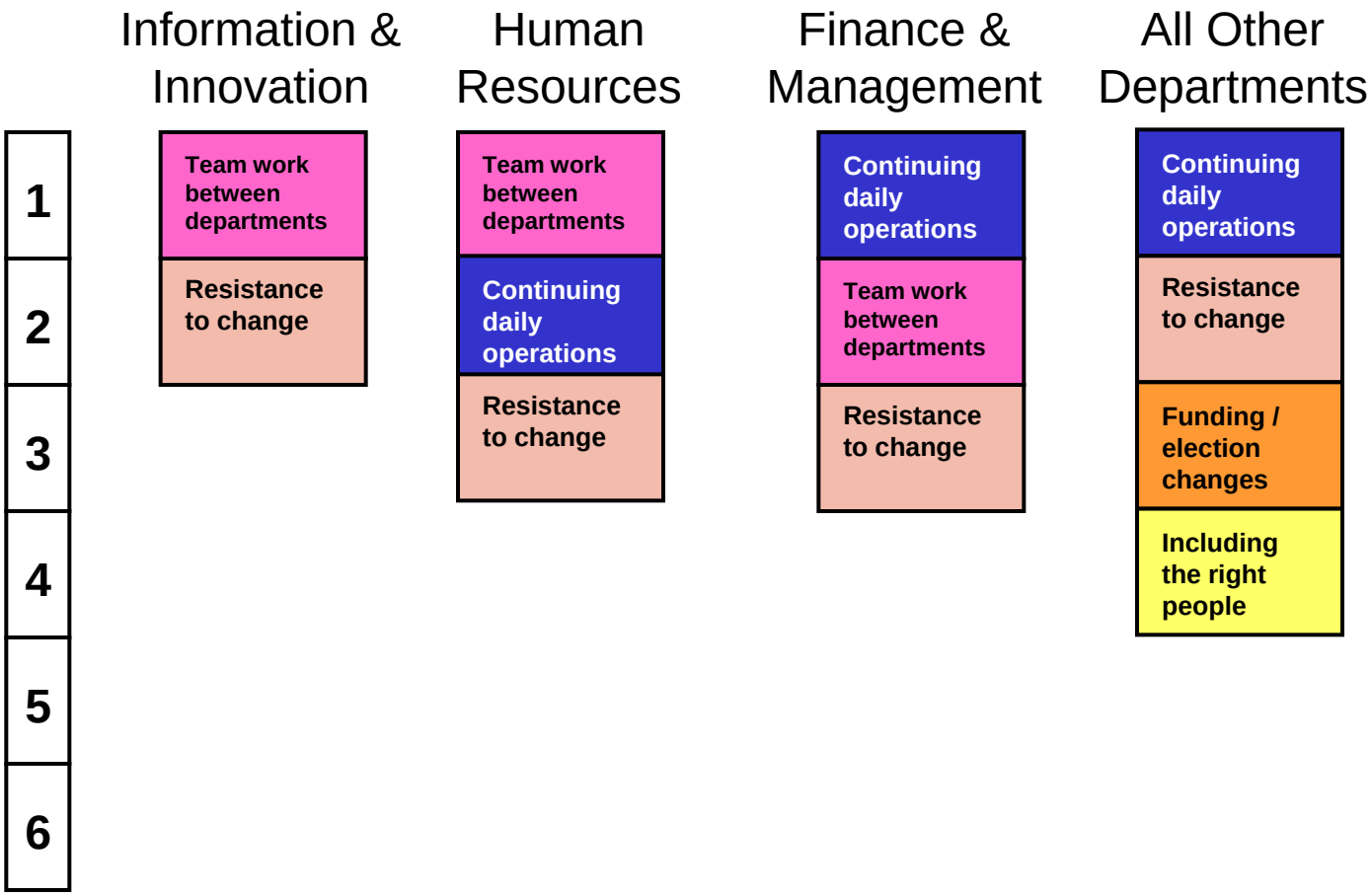
Responses by Stakeholder Position

Question 4: What are the obstacles, issues or risks that your are concerned about regarding this project?



Responses by Stakeholders' Department

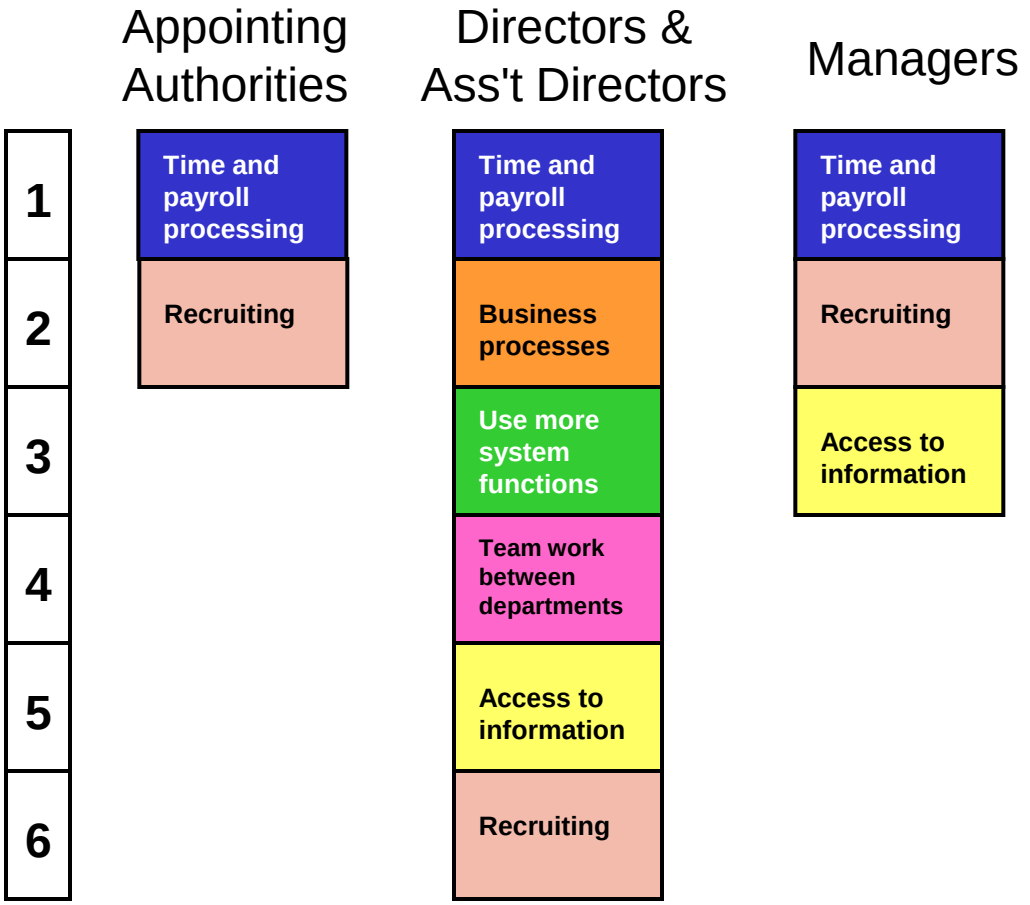
Question 4: What are the obstacles, issues or risks that your are concerned about regarding this project?



Question 5: For this project to be a success, what areas or processes require the greatest improvement?

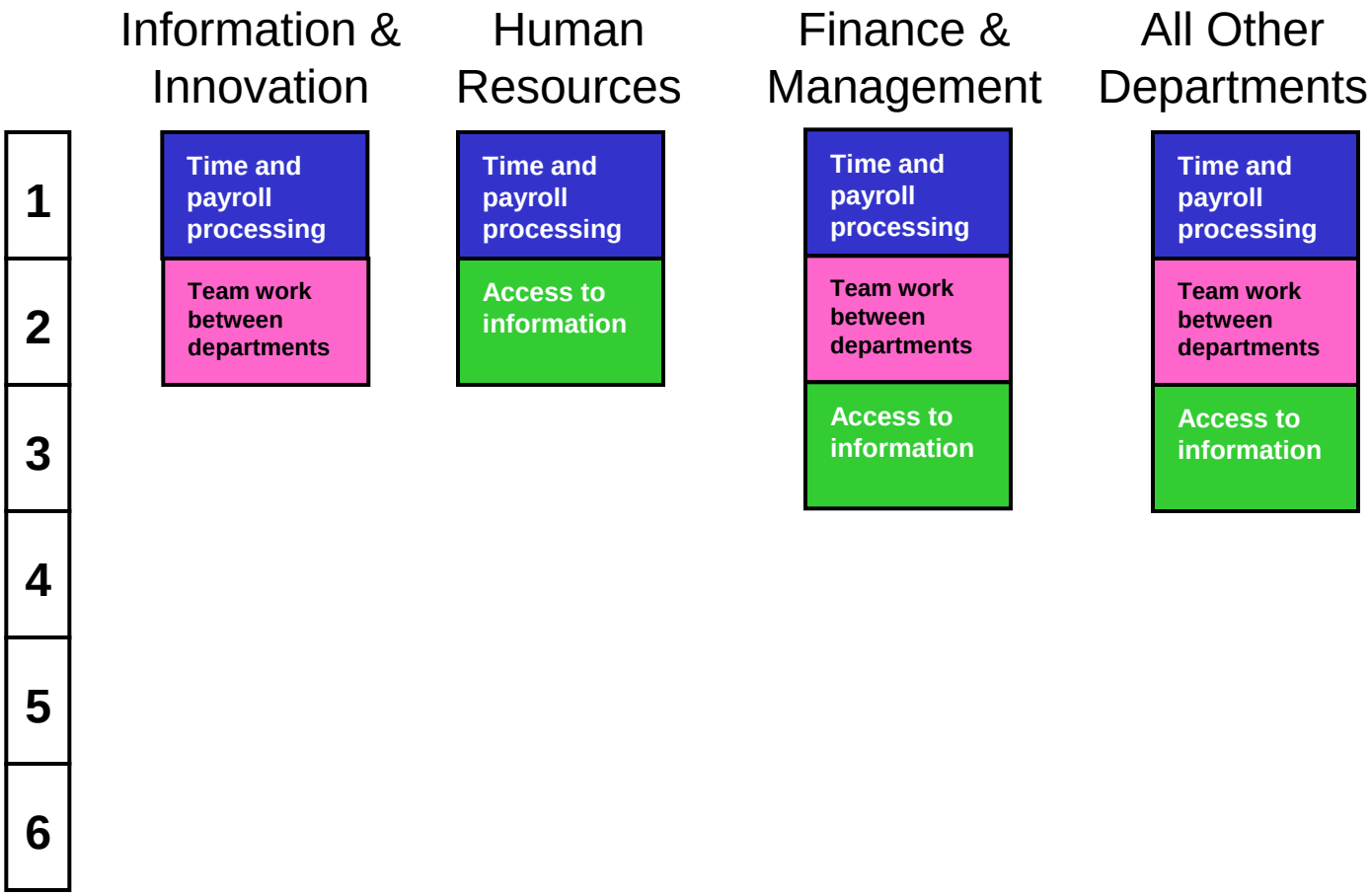
Responses by Stakeholder Position

Question 5: For this project to be a success, what areas or processes require the greatest improvement?



Responses by Stakeholders' Department

Question 5: For this project to be a success, what areas or processes require the greatest improvement?



Question 6: What lessons have you learned from previous projects that could benefit this project?

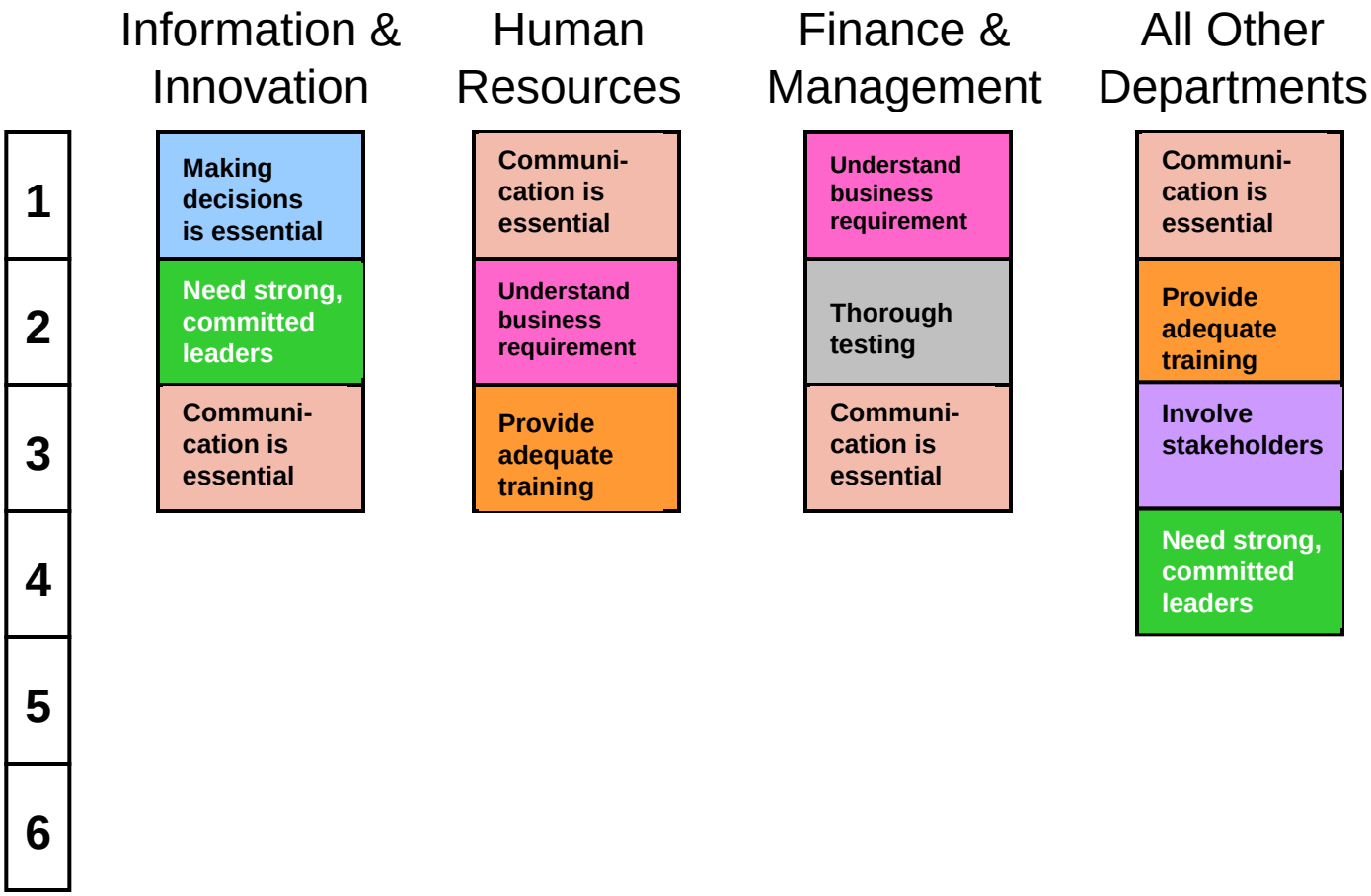
Responses by Stakeholder Position

Question 6: What lessons have you learned from previous project that could benefit this project?

	Appointing Authorities	Directors & Ass't Directors	Managers
1	Adequate planning is essential	Communi-cation is essential	Communi-cation is essential
2	Making decisions is essential	Provide adequate training	Provide adequate training
3	Provide adequate training	Understand business requirement	Thorough testing
4	Need strong, committed leaders	Making decisions is essential	Understand business requirement
5	Business drives project	Thorough testing	
6			

Responses by Stakeholders' Department

Question 6: What lessons have you learned from previous project that could benefit this project?



Question 7: Rank the following 6 goals in terms of their value to the organization:

A. Align business processes with the software application

B. Make the system work for us, meaning accommodate our business needs

C. Provide the most timely, accurate and reliable data so that it can be used strategically

D. Empower end users and employees by providing them with knowledge about how the system benefits them

E. Maximize the value of our investment in these systems

F. Structure our organizations and the use of these systems to meet the dynamic needs of the State

Responses by Stakeholder Position

Question 7: Rank the 6 goals in terms of their value to the organization:

	Appointing Authorities	Directors & Ass't Directors	Managers
1	Make the system work for us	Provide accurate data	Make the system work for us
2	Align process and software	Make the system work for us	Provide accurate data
3	Structure State to use the system	Align process and software	Align process and software
4	Provide accurate data	Maximize value of system	Empower end users
5	Empower end users	Structure State to use the system	Structure State to use the system
6	Maximize value of system	Empower end users	Maximize value of system

Responses by Stakeholders' Department

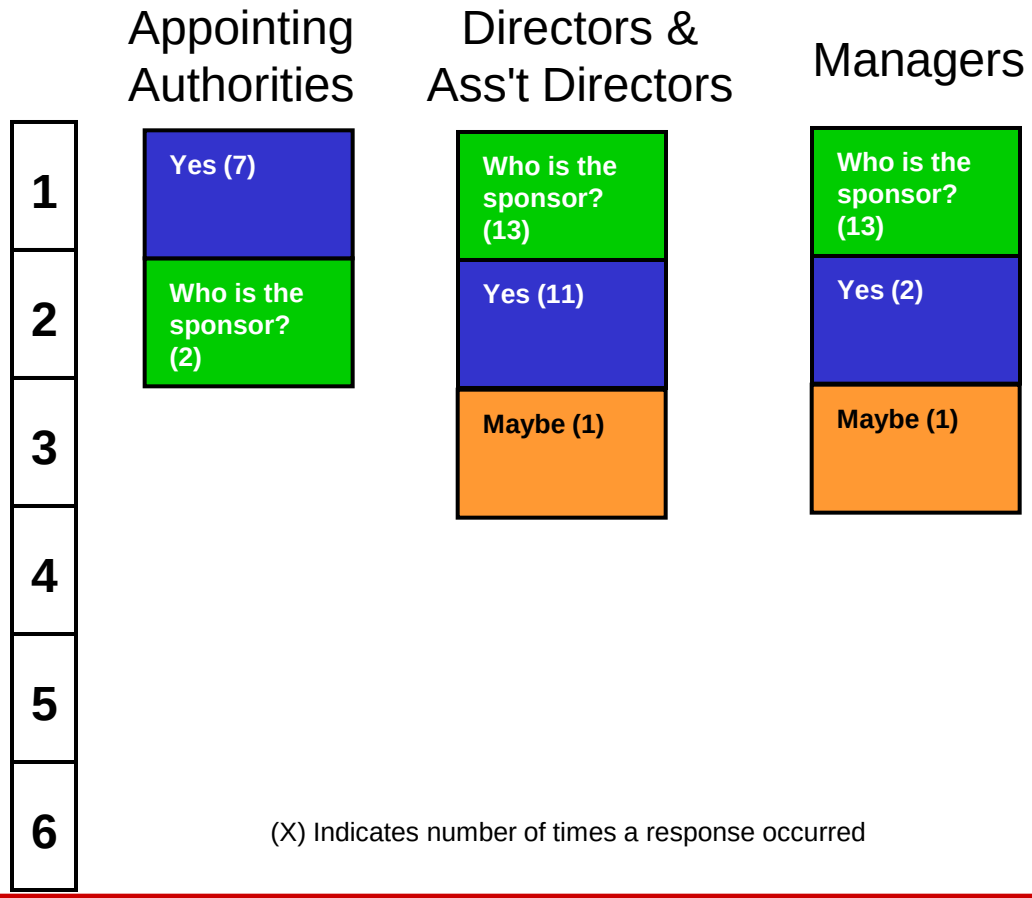
Question 7: Rank the 6 goals in terms of their value to the organization:

	Information & Innovation	Human Resources	Finance & Management	All Other Departments
1	Align process and software	Make the system work for us	Provide accurate data	Make the system work for us
2	Provide accurate data	Structure State to use the system	Structure State to use the system	Provide accurate data
3	Maximize value of system	Align process and software	Make the system work for us	Align process and software
4	Make the system work for us	Provide accurate data	Maximize value of system	Empower end users
5	Structure State to use the system	Empower end users	Align process and software	Structure State to use the system
6	Empower end users	Maximize value of system	Empower end users	Maximize value of system

Question 8: Does the ERP Expansion Project Executive Sponsor have the decision-making authority to make the project successful?

Responses by Stakeholder Position

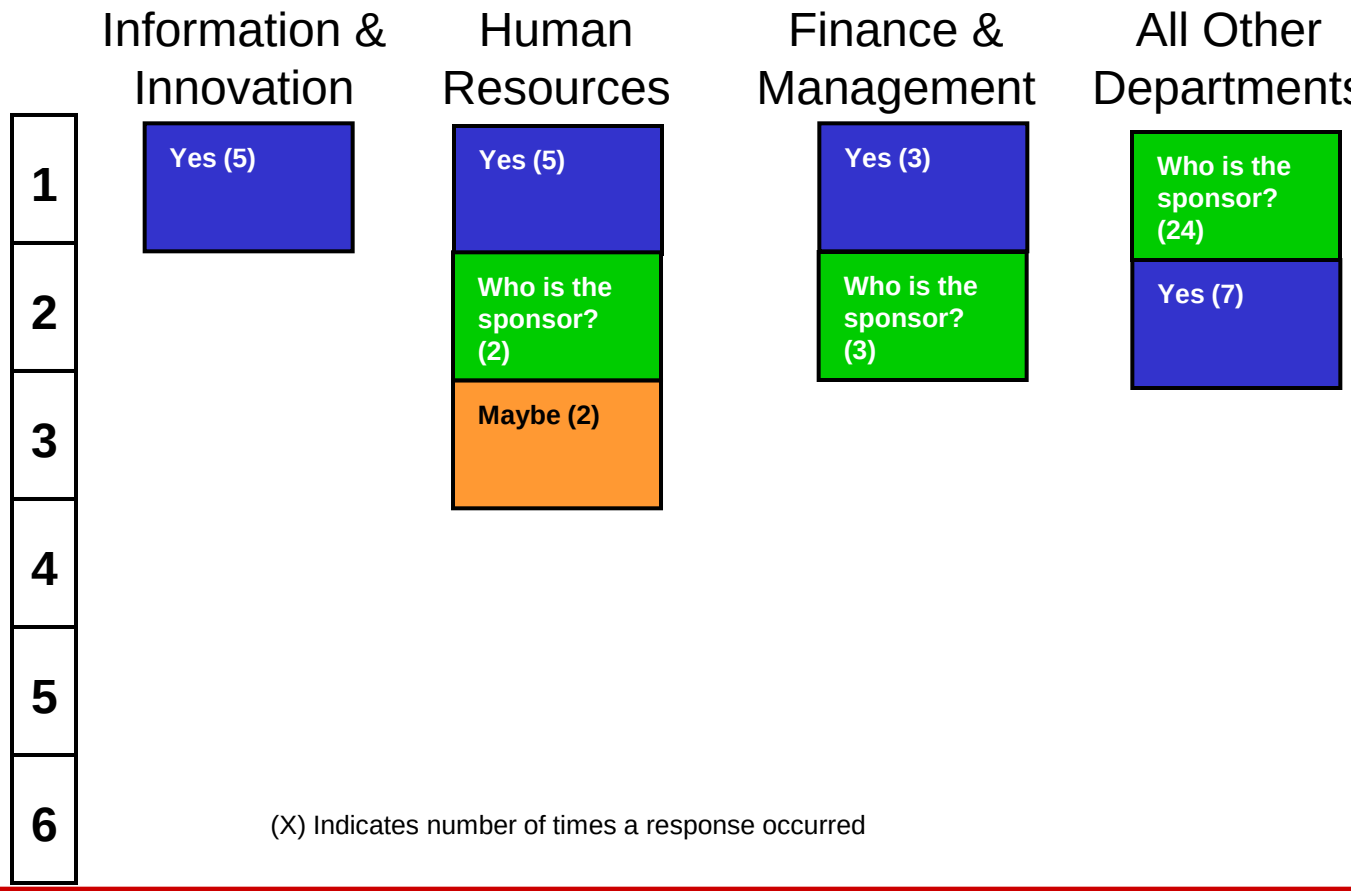
Question 8: Does the ERP Expansion Project Executive Sponsor have the decision-making authority to make the project successful?



(X) Indicates number of times a response occurred

Responses by Stakeholders' Department

Question 8: Does the ERP Expansion Project Executive Sponsor have the decision-making authority to make the project successful?

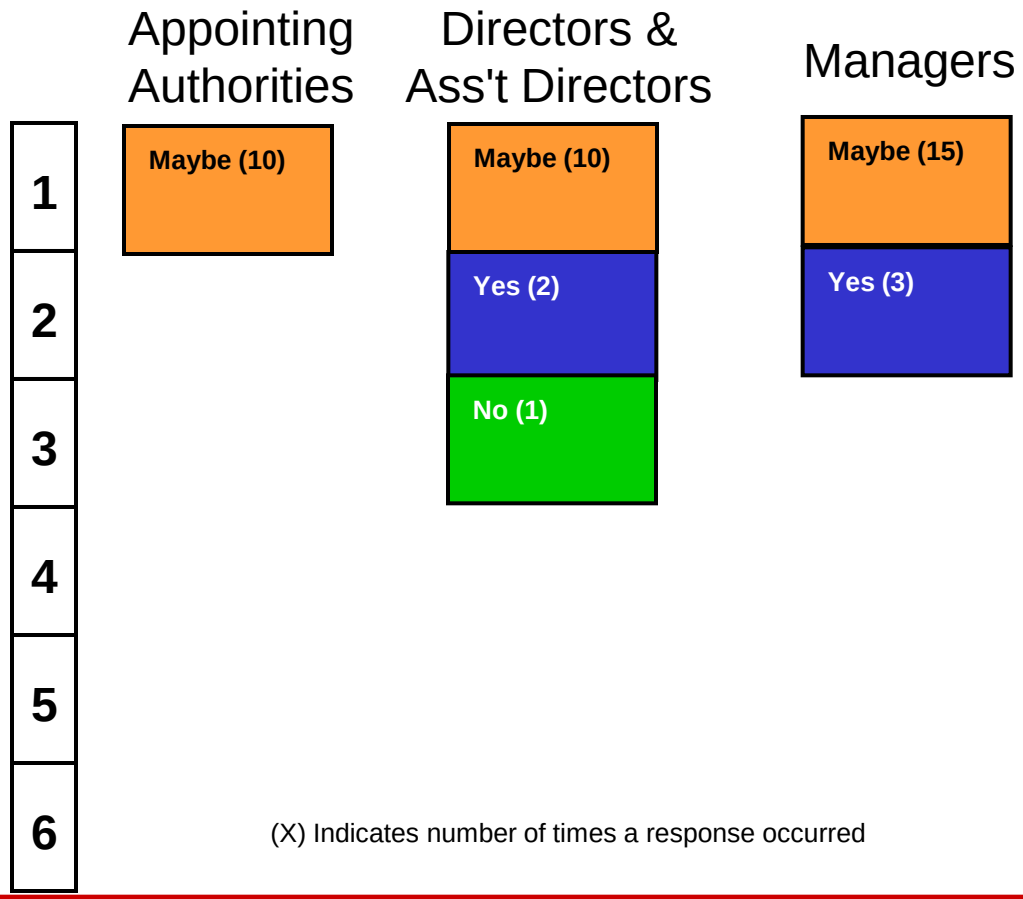


(X) Indicates number of times a response occurred

Question 9: Do you think ERP Expansion project team members are empowered to make decisions?

Responses by Stakeholder Position

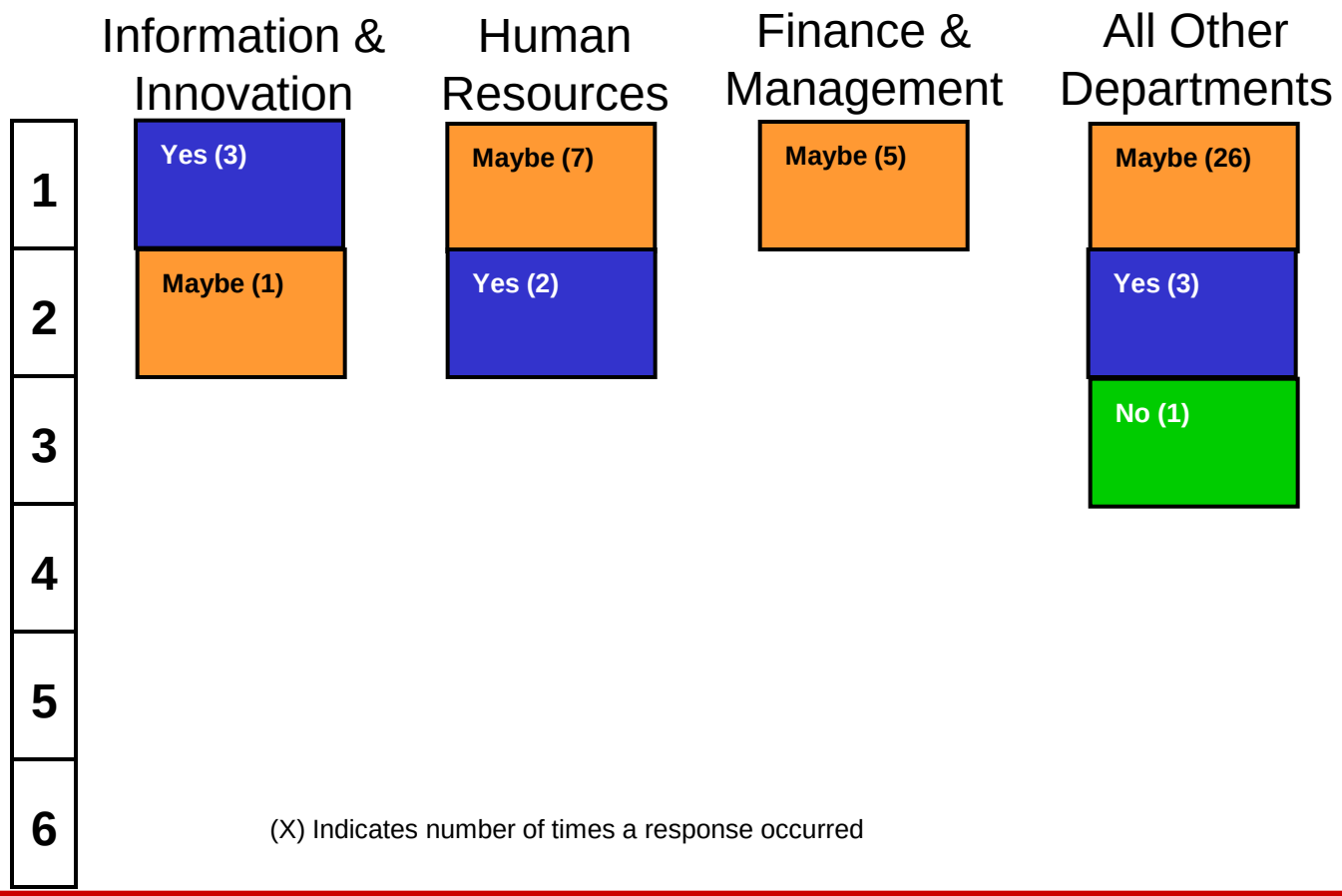
Question 9: Do you think ERP Expansion project team members are empowered to make decisions?



(X) Indicates number of times a response occurred

Responses by Stakeholders' Department

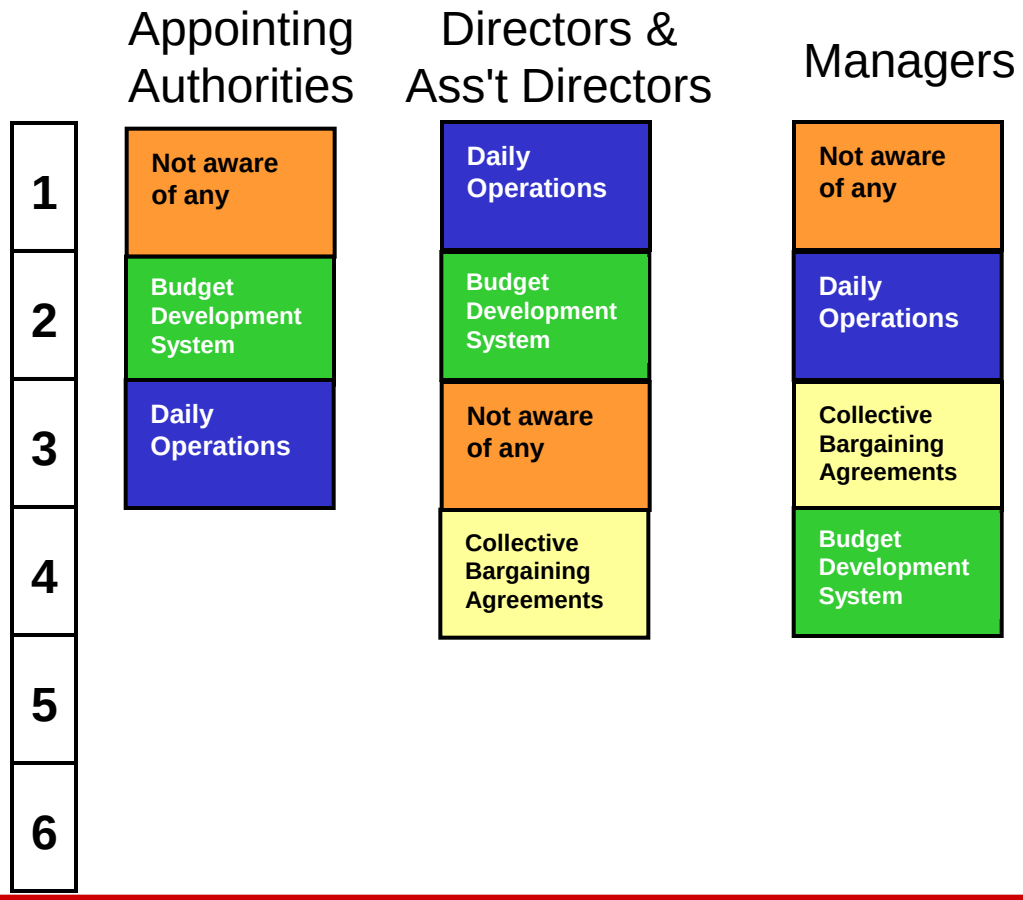
Question 9: Do you think ERP Expansion project team members are empowered to make decisions?



(X) Indicates number of times a response occurred

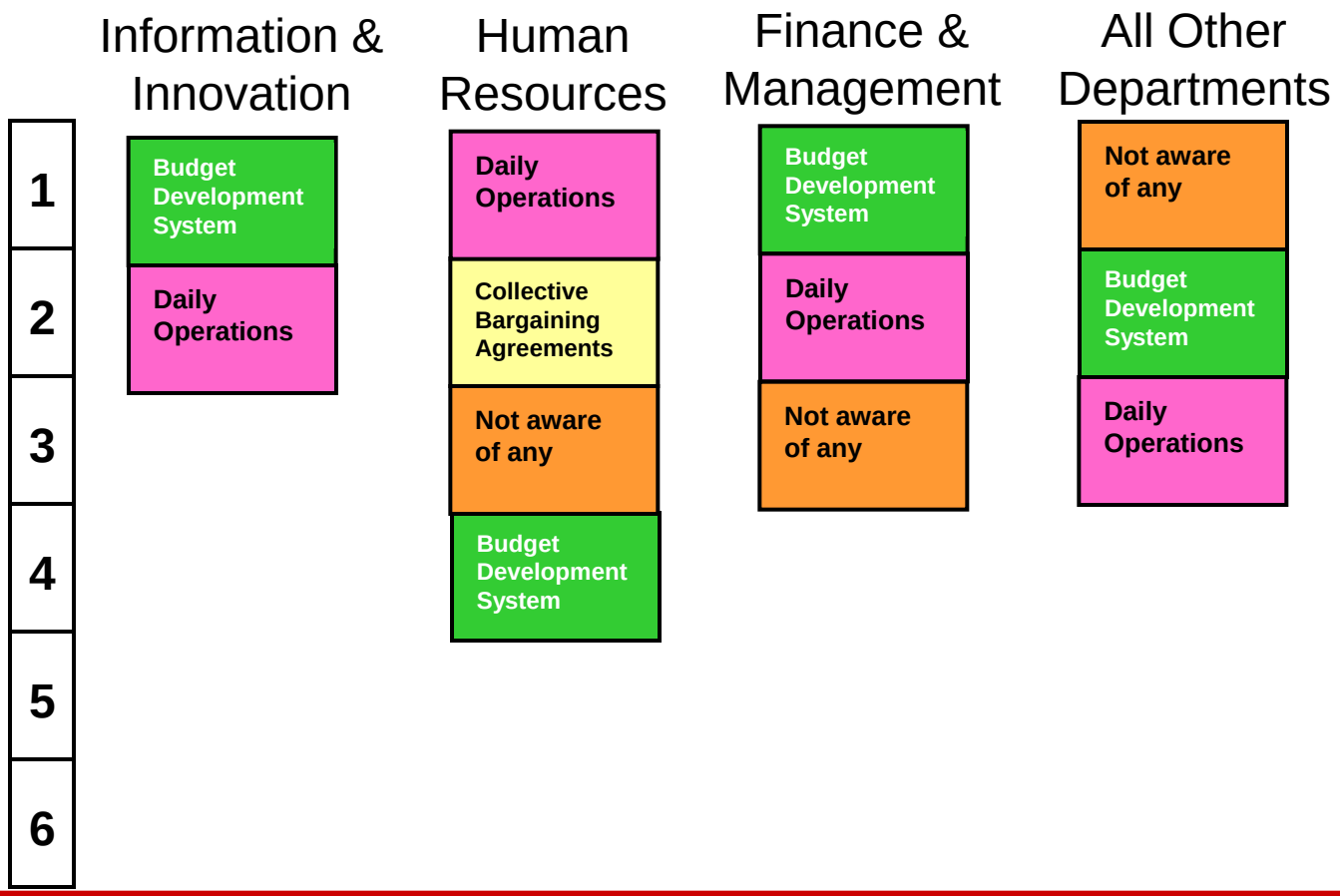
Responses by Stakeholder Position

Question 10: What other projects are competing with this one?



Responses by Stakeholders' Department

Question 10: What other projects are competing with this one?



Question 11: Rate how effectively information flows in the organization:

- **Good**
- **Satisfactory**
- **Needs Improvement**
- **Poor**

Responses for All Stakeholders

Question 11: Rate how effectively information flows in the organization:

Intra-department Communication

Inter-department Communication

(X) Indicates number of times a response occurred

Summary Findings

Section IV

Observed Alignments between Stakeholder Groups

- Top goals
  - Common statement was, “They are all important. A lot of them seem tied to me.”
- Support for the ERP Expansion Project
  - Many stakeholders indicated that the current time and payroll system and related processes are archaic, inefficient, and need to be replaced
- Stakeholder involvement
  - Many stakeholders expressed the importance of soliciting input from a wide variety of sources
- Importance of communication
  - Stakeholders are largely agreed that communication about the project is essential and that communication is not the State of Vermont’s greatest strength

Potential Misalignments

- Who the project leaders are
  - Very few interviewees could name the sponsor or any team members. Oftentimes they stated who they assumed the leaders to be and many times their assumption was wrong.
- Where responsibility lies for decision-making
  - Most stakeholders did not know how decisions would be made, which decisions they had the authority to make (if any), who would make final decisions, or who might need to be involved in the decision making process.
- The level of involvement of departments other than the Department of Information and Innovation, Department of Human Resources, and the Department of Finance and Management
  - Many interviewees who believed they would be significantly affected by the ERP Expansion Project were concerned that their input would not be solicited and their requirements would be overlooked.

Risk Assessment Summary

- **Risk identification and mitigation**

Section V

Risk Identification	Information Related to this Risk	Proposed Activities to Mitigate Risk
Leadership • Strong, committed leadership is identified by participants as a key to project success • Majority of interviewees do not know who is leading the project	• Several interviewees indicated that having a two year elective cycle can result in changes in leadership at multiple levels of state government • Turnover in leadership can lead to changes in priorities which could stop the project • A common statement was that in order to resolve conflict arising from the project having leadership from the highest level of the government is important • When interviewees learned who the Executive Sponsor is, almost everyone agreed that the right person was in the right position to make the project a success	• Publicize leadership structure of the ERP Expansion Project • Provide periodic project updates from sponsors and leaders to stakeholders
Decision-making • When asked about lessons learned from other projects, stakeholders identified making decisions and moving forward as being important • Stakeholders are unclear about who will make decisions and what authority the team members have in making decisions	• Stakeholders are concerned that their concerns will not be taken into consideration when decisions are made about the how the business process or system will work • Some stakeholders expressed a concern that decision-makers will base decisions on what is good for their department rather than what is good for the whole organization	• Clarify the decision-making process • Clarify the level of authority team members have to make decisions • Publicize the process for decision-making • Publicize how stakeholders will communicate their concerns to the project team

Risk Identification	Information Related to this Risk	Proposed Activities to Mitigate Risk
Involvement: • Involve the right people at the time. This applies to more than those directly involved in the project.	• Interviewees expressed concern that project leaders and team members will design the system to meet their own needs and the concerns of other departments and agencies will go unnoticed • Some interviewees indicated that they believe even when they have input they will be ignored	• Project leaders proactively solicit input from Subject Matter Experts who are not on the project team. • Create a plan for two-way communication, i.e., provides opportunities for affected users to inform the project and for the project to inform affected users. • Publicize the project plan and the times at which departments will be expected to have input
Team Work • Collaboration between Department of Information and Innovation, Department of Human Resources, and Department of Finance and Management is a weakness	• Stakeholders reported that they know collaboration and cooperation needs to be improved • Stakeholders indicated that collaboration has improved recently, but work still needs to be done • Stakeholders indicated that they believe communication within their department is more effective than communication between departments	• Clearly identify roles and responsibilities • Place clear emphasis on the importance of building and aligning teams in the Organizational Readiness Strategy and Change Management Plan

Risk Identification	Information Related to this Risk	Proposed Activities to Mitigate Risk
Communication • Communication was frequently mentioned as a lesson learned from other projects that needs to be applied to the ERP Expansion project	• Many interviewees ranked the effectiveness of communication in two ways: 1. Communication effectiveness within their department 2. Communication effectiveness across departments • Most commonly, respondents reported that communication within their department was more effective than communication across departments	• Prepare and execute a comprehensive communication strategy and plan that addresses intra- and inter-department communication • Periodically assess how well project messages are being transmitted
User expectations: • Success • System capabilities	• Definition of project success appears to vary by department and individual. Many interviewees expressed concern that users' expectations for the system will be too high while expectations for user involvement will be too low. • Some interviewees expressed concern that affected users currently have too many demands and expecting more from them may be unreasonable.	• Clearly communicate success criteria. Align department definition of success with organization's definition of success. • Educate user population on system capabilities • Prioritize competing demands.

Next Steps: Utilizing the Information Gathered

Section VI

1. Include Goal Alignment results in the ERP Expansion Project's Organization Readiness Strategy and Plan
2. Use findings to coach leaders of individual stakeholder groups
3. Develop project strategies (i.e. Organization Readiness Report, Training Plan, Ongoing Education Strategy, Operations & Maintenance Plan)
4. Provide periodic Organization Readiness Report (i.e. project report card)